

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
November 13, 2007**

The Board of Supervisors of Maricopa County Arizona convened in Informal Session at 10:00 a.m., November 13, 2007 in the Board of Supervisors' Conference Room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Fulton Brock, Chairman, District 1 (entered late); Andrew Kunasek, Vice Chairman, District 3; Don Stapley, District 2; Max W. Wilson, District 4, and Mary Rose Wilcox, District 5 (entered late). Also present: Fran McCarroll, Clerk of the Board; Liz Evans, Minutes Coordinator; David Smith, County Manager; Victoria Mangiapane, Deputy County Attorney. Votes of the Members will be recorded as follows: aye-nay-absent-abstain.

1. ON-SITE FEDERAL MONITORING OF THE HEAD START PROGRAM

Item: Presentation regarding the upcoming on-site federal monitoring of the Head Start program and Maricopa County's participation. (C2208123000) (ADM2502)

Marjorie Weiss, Assistant Director for the Education Division, Human Services

Marjorie Weiss informed the Board that the tri-annual on-site federal review of the Head Start program will occur the week of December 3rd, 2007. Ms. Weiss stated that the Improving Head Start for School Readiness Act of 2007 is expected to reinvigorate Head Start and help more children arrive at kindergarten ready to succeed. She explained that this legislation will change the process for monitoring Head Start programs. One aspect of the review will involve interviews with two of the Board members, Chairman Brock and Supervisor Wilcox, to determine whether the Board is providing program oversight and safeguarding federal funds.

~ Supervisor Wilcox entered the meeting ~

Ms. Weiss presented an overview of the type of information that the monitoring team will be looking for during the interviews in order to ensure compliance such as how the Board exercises oversight and accountability, internal controls, how differences are resolved, etc.

~ Chairman Brock entered the meeting ~

Ms. Weiss went on to say that the County's Head Start program operates by shared decision-making through the Policy Council. The Policy Council meets with parents at the beginning of Council meetings and provides parents and community partners with the authority to participate in decision-making for the program.

Ms. Weiss then reported on 2007 Service Outcomes, as follows:

- 3,087 total children (60% 4 year olds)
- 33 pregnant women (24 < 18 years old)
- 19% served for 2+ years
- 80% Hispanic
- 64% Spanish primary language
- 14% children with disabilities
- 49% on WIC
- 52% of children had a 25% gain in development

~ Supervisor Wilcox left the meeting ~

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Ms. Weiss reported that 61 percent of the children are from two-parent families, 41 percent of the parents have less than a high school diploma or GED and 81 percent received other support services from the County such as health education.

Supervisor Kunasek questioned the statistic that "52% of children had a 25% gain in development" and whether that was the norm. Ms. Weiss responded that there really is no norm and that particular measurement is being changed. She said in the past, ten indicators were combined but it was not an accurate measure. Starting next year, measurements will focus on vocabulary as it is a good predictor of future school success.

Supervisor Wilson asked about student attendance. Ms. Weiss answered by saying that approximately 2500 students are enrolled each year and of those, about 500 leave and are replaced with new students.

Ms. Weiss added when a child is absent for three days or more a home visit is done by a Head Start staff member. Supervisor Wilson asked if parents were encouraged to do homework with their children. Ms. Weiss replied that activities are sent out every two weeks for parents to do with their children, as well as books that parents are expected to read with their children and report back to teachers on a weekly basis.

~ Supervisor Wilcox returned to the meeting ~

Ms. Weiss said that 126 out of 136 of their teachers have an AA, BA or Graduate Degree and if this bill passes, teachers will be required to have the minimum of an AA degree within five years. She emphasized that the biggest challenge currently facing the Head Start Program is filling staff vacancies, particularly bi-lingual staff for home visits.

Ms. Weiss reported that they are meeting the service benchmarks for medical, home, medical treatment, dental exams and immunizations. The areas needing improvement are current medical exams, dental treatment and new reports on children needing services. Ms. Weiss said the problem with dental treatment is that there are only three providers in the valley and a long waiting list.

Ms. Weiss informed the Board that the home-based program has been expanded because so many classrooms have been lost due to decreased enrollment, primarily in the Mesa area. Supervisor Wilcox emphasized that the Head Start staff does an incredible job despite limited staff and resources.

2. BUDGET STATUS AND UPDATE

Item: Presentation by the Office of Management and Budget on the status of the FY 2007-08 budget, as well as the projected fiscal position in FY 2008-09 and beyond. (C4908016800)

Sandi Wilson, Deputy County Manager
Brian Hushek, Deputy Budget Director
Chris Bradley, Deputy Budget Director
LeeAnn Bohn, Deputy Budget Director

Sandi Wilson opened the presentation by outlining issues that have occurred over the last six months that have initiated a fiscal alert. Ms. Wilson stated that the Office of Management and Budget will be proposing various actions to help achieve structural balance within this year's budget. She said that service levels should not be affected by the proposed actions. A major slowdown in car sales is having a huge impact on counties because of dependency on sales tax and vehicle license tax revenues. Ms. Wilson commented that these issues are occurring in many jurisdictions.

Chris Bradley reviewed the FY 2007 and FY 2008 forecasts and actual results for state shared sales tax, Vehicle License Tax and Jail Excise Tax revenues. Mr. Bradley said that when the budget was developed, growth in departmental budgets was held down to meet lower revenue forecasts. He also said that in general, departments are reporting a lower level of budget savings than seen in previous years and some departments are exceeding budget. Total personnel costs are over budget due to lower staff vacancies and overtime usage.

Ms. Wilson covered some of the State's fiscal problems. She said that in addition to a budget deficit estimated to be in the range of \$525 million to \$675 million, there is a potential \$57 million AHCCCS shortfall due to rising caseloads, and a \$73 million shortfall in the School Facilities Board for new school construction. Ms. Wilson commented that the State is likely to consider shifting costs to counties in order to balance the budget, but Maricopa County does not have the capacity to take on additional burdens from the State at this time.

Ms. Wilson explained that the County also faces a threat to the property tax base. Despite Maricopa County's tax-limitation policies, there are tax initiatives underway that could gravely undermine Maricopa's property tax base if they reach the ballot and are approved by voters.

Ms. Wilson emphasized that while budgets have been structurally balanced, reserves have been maintained and County debt is low, there will still be decisions that need to be made in order to improve the budget and restore sustainable, structural balance. She challenged elected officials, the judicial branch and appointed managers to collaboratively find and implement cost-saving opportunities and revenue enhancements. Ms. Wilson stated that there will be no new capital projects or increases in current projects unless new funding is identified for project and operating costs.

Ms. Wilson said that the Office of Management and Budget (OMB) will be working with departments to reduce the administrative components of each department by five percent without affecting service levels. OMB is asking departments to look at better utilizing funds from vacant administrative positions and to not actively recruit replacements. OMB is also asking departments to look at capital equipment to perhaps better utilize or maintain existing equipment rather than replacing equipment, as well as exploring opportunities to consolidate IT resources. Ms. Wilson said that new IT projects will only be considered if they can produce a return on the investment of three years or less.

OMB will be carefully monitoring and forecasting revenues and expenditures of all departments, as well as developing and implementing corrective action if needed. Mr. Smith explained that they will be monitoring revenues and hope to have a more accurate forecast of the deficit picture after several more months of data collection.

3. IMPLEMENTATION SCENARIO METHODOLOGY OF PROPOSED COUNTY VEHICLES AND ENVIRONMENTAL RESPONSIBILITY POLICY

Item: Presentation on implementation scenario methodology associated with the proposed County Vehicles and Environmental Responsibility Policy. The purpose of the presentation is to provide the Board information regarding implementation scenario analysis on the current Maricopa County on-road vehicle fleet. (C7408001M00) (ADM631)

Daren Frank, Administrative Director, Regional Development Services Agency

Daren Frank presented the County's Environmental Responsibility Policy to the Board, as follows:

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- Maricopa County has a responsibility to conduct business in a manner that will impact the environment as little as possible
- The Environmental Protection Agency has determined that driving a car is the single greatest polluter individuals engage in
- Fleet Management can play an important role in reducing global warming and air pollution emissions

As a result, Mr. Frank proposed using a three-step decision-making process to address the issue. Step one was to inventory the fleet. Step two involves setting goals for reduction by documentation and measurement. It allows for annual analysis of fleet emissions and for the Board to set goals for emission reductions. Step three is implementation that is based on analysis of the current fleet with the analysis of current technology resulting in the development of a pragmatic plan.

Mr. Frank's inventory of the County fleet disclosed the following facts;

- Currently, the County has a fleet of over 2000 vehicles
- There are 32 classes of vehicles (i.e. compact, midsize, 4 x 4, heavy duty diesel, etc.)
- Maricopa Vehicle Policy dictates replacement at either 100,000 miles or ten years
- The FY 2006-07 Vehicle Usage Report documents that County employees traveled over 25 million miles, burning over 1.8 million gallons of gas, not including credit card gas purchases

Mr. Frank illustrated some examples of savings in both pounds of pollution and fuel by the replacement of current County vehicles with more efficient "green" vehicles. Mr. Frank said that the County was currently paying about \$2.63 per gallon. Supervisor Stapley disclosed that NACo is working on acquiring a national contract to purchase fuel for County vehicles in order to lower the price. Chairman Brock proposed offering Maricopa County as a test sight for auto manufacturers to study environmentally-friendly vehicles.

Mr. Frank said that in order to realize the maximum efficiencies in County vehicles, changes need to occur to current practices, such as:

- Change the way miles driven and fuel purchased is documented
- Perform preventative maintenance in a timely manner
- Limit the number of hours cars spend idling
- Take a more logistics based approach to daily plans/routes

4. SERVICE LEVEL AGREEMENT BETWEEN TREASURER'S OFFICE AND THE OFFICE OF ENTERPRISE TECHNOLOGY

Item: Pursuant to A.R.S. §42-17106(B), approve the transfer of expenditure authority from the Treasurer's Office (430) General Fund (100) to the Office of Enterprise Technology (410) General Fund (100) in the amount of \$1,791,232. This action requires an expenditure appropriation adjustment **decreasing** the FY 2007-08 Treasurer's Office (470) General Fund (100) by \$1,791,232 and **increasing** the FY 2007-08 Office of the Enterprise Technology (OET) (410) General Fund (100) expenditure budget by \$1,791,232.

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This action will transfer the positions and incumbents, supplies and services, and capital from Treasurer's Office Information Technology Program to the Office of Enterprise Technology Information Technology Program. The following position control numbers will be transferred:

11202 Computer Operator
12972 Programmer/Analyst
12977 Systems/Network Admin-Sr/Ld
12981 Programmer/Analyst - Sr/Ld
15079 PC/LAN tech Support
15099 Applications Development Manager
15560 Help Desk Coordinator
16903 Operations Support analyst
34255 IT Sr. Manager
61343 Programmer/Analyst
63535 Programmer/Analyst - Sr/Ld
63975 Programmer/Analyst - Sr/Ld
63976 Programmer/Analyst - Sr/Ld
63977 Programmer/Analyst - Sr/Ld
65424 Business/Systems Analyst
65425 Business/Systems Analyst – Sr/Ld

~~Also, approve the Office of Enterprise Technology to use all funds collected in the Taxpayers Information Fund, established per A.R.S. §11-495, to be used to defray the cost of converting or upgrading an automated public information system including:~~

- ~~• Purchasing computer hardware and software.~~
- ~~• Training employees to operate the system.~~
- ~~• Maintaining the system, including purchasing equipment maintenance agreements.~~
- ~~• Updating the system hardware and software.~~

A Service Level Agreement (SLA) will be developed and entered into between the Treasurer's Office and the Office of Enterprise Technology that will define the specifics of the information technology services provided to the Treasurer's Office. (C4908018800) (ADM4000) (ADM2700)

The Clerk announced that the paragraph regarding the Taxpayers Information Fund has been deleted. The Chairman allowed Mr. Bob Royal from the Information Technology Program in the Treasurer's Office, to speak on this item. Mr. Royal stated that he was not convinced that this action will benefit the Treasurer's office. Mr. Royal also said that this item insinuated that customer service from the Treasurer's IT group could be improved. Mr. Royal emphasized that any issues within the Treasurer's office would be resolved once a Treasurer is appointed.

Supervisor Stapley commented that this item was not intended as a criticism of the Treasurer's IT group, but rather a means to upgrade and streamline the technology systems in the Treasurer's office and resolve some of the issues revealed through the internal audit process over the last couple of years. Supervisor Wilcox commented that she supported this item because the County has been working towards consolidation of IT functions to gain cost efficiencies. Supervisor Kunasek expressed concern that this action was being taken during a period when no elected or appointed Treasurer was in place. Mr. Kunasek said that he felt that collaborating with an elected or appointed official was a better path to modernizing the Treasurer's IT systems and that he would not support this item.

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Motion was made by Supervisor Stapley, seconded by Supervisor Wilcox and carried by majority vote (4-1) to approve the item as amended above, with Supervisors Brock, Stapley, Wilson and Wilcox voting "aye" and Supervisor Kunasek voting "nay".

5. REGIONAL SCHOOL DISTRICT #509 VOUCHERS/WARRANTS

The Board of Supervisors, pursuant to its authority granted in A.R.S. §15-1001, will consider for approval vouchers presented by the County School Superintendent of Maricopa County to draw warrants on the County Treasurer against Maricopa County Regional School District #509 School District funds for necessary expenses against the school district and obligations incurred for value received in services (except for payroll vouchers) as shown in the Vouchers. (ADM3814-003)

The Board of Supervisors may consider ratifying any Maricopa County Regional School District #509 vouchers and/or warrants (except for payroll vouchers) approved in accordance with the procedures of A.R.S. §15-321 since the last meeting of the Board of Supervisors. The Board of Supervisors may hear staff reports on the vouchers and warrants being considered. The Vouchers are on file in the Maricopa County's Clerk of the Board's office and are retained in accordance with ASLAPR approved retention schedule. (ADM3814-003)

Motion was made by Supervisor Wilcox, seconded by Supervisor Kunasek, and unanimously carried (5-0) to consider the following items:

Ratify Voucher #7012 \$97,679.19
Ratify Voucher #7013 \$45,369.84
Ratify Voucher #7014 \$62,417.28

Staff did not update the Board of Supervisors on regional schools operations and finances. (ADM3814-005)

6. EXECUTIVE SESSION

Motion was made by Supervisor Stapley, seconded by Supervisor Kunasek and unanimously carried (5-0) to recess and reconvene in Executive Session in the Tom Sullivan Conference Room to consider items listed on the Executive Agenda, pursuant to listed statutory authority, as follows.

Chris Keller, Chief Counsel, Civil Division, replaced Victoria Mangiapane as counsel to the Board and Shirley Million replaced Liz Evans as Minutes Coordinator.

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION – ARS §38-431.03(A)(3) AND (A)(4)

E-1. Jack August and T.J. August v. Maricopa County, Superior Court Case No. CV1996-006985

William Scalzo, Assistant County Manager
R.J. Cardin, Director, Parks and Recreation
Randall Garczynski, Deputy County Attorney
Bruce White, Deputy County Attorney – **did not attend**
Tom Manos, Chief Financial Officer
Peter Crowley, Risk Manager

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LEGAL ADVICE; CONTRACTS SUBJECT TO NEGOTIATION – ARS §38-431.03(A)(3) AND (A)(4)

E-2. Legal Advice regarding Contract Evaluation and Selection of Deferred Compensation Plan Administrator

Tom Manos, Chief Financial Officer
Chris Keller, Chief Counsel
Andrea Cummings, Deputy County Attorney
Marvin Swift, Outside Counsel

LEGAL ADVICE; CONTRACTS SUBJECT TO NEGOTIATION; SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION; PURCHASE, SALE OR LEASE OF REAL PROPERTY - ARS §38-431.03(A)(3), (A)(4), AND (A)(7) – NOT CONSIDERED

E-3. Real Property Acquisition in Mesa

Sandi Wilson, Deputy County Manager
Tom Manos, Chief Finance Officer
Dennis Lindsey, Real Estate Manager
Brian Hushek, Deputy Budget Director
Steve Blaylock, Facilities Management
Rita Neill, Environmental Specialist
Chris McNichol, Outside Counsel
Martin Jones, Outside Counsel
Jean Rice, Deputy County Attorney

This item was not considered at this meeting.

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – ARS §38-431.03(A)(3) AND (A)(4) – NOT CONSIDERED

E-4. Arizona Motorsports Park v. Maricopa County

Joy Rich, Assistant County Manager
Peter Crowley, Risk Manager
Jacquie Garrett, Risk Management
Richard Hood, Outside Counsel
Craig McCarthy, Outside Counsel
Terry Eckhardt, Deputy County Attorney

This item was not considered at this meeting.

MEETING RECESSED

The Chairman recessed the meeting to resume November 14, 2007, at 10:15 a.m., or at such time thereafter following the 9:00 a.m. Formal Board Meeting.

MEETING RECONVENED

Meeting reconvened in Executive Session at 10:15 a.m., Wednesday, November 14, 2007, in the Tom Sullivan Conference Room to consider the remaining items listed on the November 13, 2007 Executive Agenda, pursuant to listed statutory authority, as follows. All members remained in session.

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**LEGAL ADVICE; CONTRACTS SUBJECT TO NEGOTIATION; SETTLEMENT DISCUSSIONS
CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION; PURCHASE, SALE OR LEASE OF
REAL PROPERTY - ARS §38-431.03(A)(3), (A)(4), AND (A)(7) – NOT CONSIDERED**

E-3. Real Property Acquisition in Mesa

Sandi Wilson, Deputy County Manager
Tom Manos, Chief Finance Officer
Dennis Lindsey, Real Estate Manager
Brian Hushek, Deputy Budget Director– **did not attend**
Steve Blaylock, Facilities Management– **did not attend**
Rita Neill, Environmental Specialist– **did not attend**
Chris McNichol, Outside Counsel
Martin Jones, Outside Counsel
Jean Rice, Deputy County Attorney
Kenny Harris, Assistant County Manager
James Foley, Acting Director, Facilities Management

**LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; SETTLEMENT DISCUSSIONS
CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – ARS §38-431.03(A)(3) AND (A)(4)
– NOT CONSIDERED**

E-4. Arizona Motorsports Park v. Maricopa County

Joy Rich, Assistant County Manager
Peter Crowley, Risk Manager
Jacquie Garrett, Risk Management– **did not attend**
Richard Hood, Outside Counsel
Craig McCarthy, Outside Counsel– **did not attend**
Terry Eckhardt, Deputy County Attorney

MEETING ADJOURNED

There being no further business to come before the Board, the meeting was adjourned.

/s/ Fulton Brock, Chairman of the Board

ATTEST:

/s/ Fran McCarroll, Clerk of the Board